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SUBJECT: THE PUBLIC FOOD DISTRIBUTION SYSTEM BEGINS IN THE NORTH

SUMMARY

1. June distributions begin in the three northern governorates of Dahuk, Arbil, and As Sulaymaniyah, while at the same time, WFP continues to provide catch-up rations of wheat flour. Differences that exist between the distributions in the three northern governorates and the central/south are being addressed. Mosul is set to begin the June distributions on or about 3 June, with Kirkuk starting a couple days later. As the security situation in Tikrit was only recently deemed permissive by the Coalition, the Governorate of Salah ad Din is behind in preparation, but food deliveries to Tikrit began last week. UNSECOORD will visit Tikrit on 4 June to evaluate the security situation for the U.N. Significant truck delays at the Turkish border have recently been addressed by changing the Peshmerga "parking fee" from Swiss dinars to U.S. dollars. Government fuel pumps in the north are now charging customers in old Iraqi dinars, i.e., Saddam dinars, under an agreement with the Coalition, marking the first time this currency has been used in the north since 1991. End Summary.

THREE NORTHERN GOVERNORATES

2. As previously reported, since last fall the three northern Governorates of Dahuk, Arbil, and As Sulaymaniyah received single rations of wheat flour whereas central/south received double rations each month. Further compounding the differences between the north and central/south, even the single rations of wheat flour in February and March were not complete in the north, meaning that people either received less than the full one month's ration of wheat flour or that some areas received no wheat flour at all. In contrast, all central/south governorates have received wheat flour rations through July, and most in central/south have now received the August ration of wheat flour. (Note: Some governorates in central/south have even received wheat flour and other commodities through October. End Note.)

3. Since April, the U.N. World Food Program (WFP) has been working to address the northern shortfalls in wheat flour, and it is currently being distributed in the three northern governorates for May. The distributions are approximately 30 percent complete. Beans and vegetable oil are being distributed for June/July; rice, tea, and sugar have been distributed through July. There is currently no weaning cereal, infant formula, soap, or detergent available. Although this distribution is being billed as the official June countrywide ration, northern beneficiaries know they are still behind central/south, as evidenced by their ration cards. The DART reports, however, that distributions are proceeding smoothly.

4. To address the discontentment among the population of the three northern governorates caused by their knowledge that they have received less than the rest of the country, WFP is beginning to put the word out that because central/south experienced a higher amount of turmoil and looting during and after the war, it is fair that they have recently received additional commodities.

5. The DART reports that the population in the three northern governorates is extremely happy to be receiving better quality commodities, as there had been a number of complaints over the years about the quality of rice and

sometimes also flour. They are especially pleased to receive vegetable oil rather than ghee for the first time.

NINAWA GOVERNORATE

16. The public distribution system (PDS) should begin in Ninawa Governorate on or about 3 June with wheat flour and sugar. Distributions of other commodities will follow as they are received. WFP is especially pleased with strong Coalition and Ministry of Trade (MOT) support, and believes the distributions should go fairly smoothly, pending availability of all commodities. The fraudulent 40-commodity public distribution system (PDS) list, which apparently originated in Mosul, does not appear to be affecting distribution preparations at this time. Mosul residents have reported that they have seen television notices regarding the USD 105 per metric ton (MT) as the sale price for the wheat harvest, but no details were given about procedures.

17. In the contested areas, such as Ninawa-Dahuk (e.g., Shekhan) and Ninawa-Arbil (e.g., Makhmur), the food agents will continue to pick up their rations from the same points as before, which in general is Mosul. WFP believes that approximately 400,000 people would be affected in making changes to the current boundaries. Such a major shift would involve a massive operation to alter ration cards, something WFP wants to avoid at this time. Once the border issues are officially resolved, ration cards can be changed accordingly, if in fact, the PDS is still providing a ration to every Iraqi at that point.

AT'TAMIM GOVERNORATE

18. In At'Tamim Governorate, the PDS was scheduled to begin on 5 June in Kirkuk with wheat flour and sugar. As in Mosul, distributions of other commodities will follow as they are received. Unfortunately, Kirkuk is less prepared than Mosul to re-start the PDS. The Kurdish authorities installed new MOT managers who had with little experience and no institutional knowledge of the PDS. Even so, WFP was trying to work with the former managers, and reported that Coalition forces had not taken a strong stand to support the positions of the old managers leading up to the June distribution. The DART reports that on 2 June, Coalition forces reinstated the previous head of the MOT, and assigned the Kurdish man from As Sulaymaniyah to be the deputy. WFP and the DART feel this appointment will be helpful in getting the PDS on track in At'Tamim.

SALAH AD DIN GOVERNORATE

19. WFP is storing some commodities for Tikrit in Dahuk, and last week, WFP began delivering food directly to Tikrit, using commercial trucks. On 30 May, the DART traveled to Tikrit, where Civil Military Operations Center (CMOC) personnel noted that they had deemed the city's security status permissive. However, with Tikrit being the last governorate capital to become permissive, it is behind the rest of the country in PDS preparations. (Note: Not all parts of Salah ad Din Governorate have been declared permissive.) For the U.N., however, Tikrit remains off limits. The DART urged the U.N. Security Coordinator (UNSECOORD) to conduct a security assessment of Tikrit, which took place on 4 June. WFP international logistics and program staff hope to access the area on or about 7 June.

110. On 3 June, the DART returned to Tikrit and met with Coalition forces (including the U.S. military governor and Civil Affairs [CA] personnel), WFP national staff, and the MOT head of the food department. WFP currently has approximately 10,000 MT of stocks in Tikrit: 5,500 MT wheat flour (almost enough for June), 4,035 MT rice, and approximately 600 MT of lentils. In addition, the MOT has enough tea and soap for the June distribution and very large stocks of sugar. The MOT also expects to receive 950 MT ghee or vegetable oil, 450 MT detergent, and 40 MT infant formula in the coming days from southern Iraq. Beans will still be somewhat short, and beneficiaries in Tikrit prefer beans to lentils. The DART will be discussing beans options with WFP for the July distribution. This will be dependent, however, on availability of other types of beans.

111. The WFP Tikrit national staff team leader (a Ph.D.-holding former diplomat) and his team were found to be doing an excellent job managing both the commodities and relations with Coalition forces and the MOT -- despite lacking any supervision, communication, or transport. The public distribution is scheduled to begin in Salah Ad Din Governorate on or about 5 June, and is expected to proceed

rather smoothly, according to Coalition forces and WFP sources, given the continuity and competence of most MOT staff in the Governorate. The arrival of WFP international staff will build on the strong MOT and WFP team already in place.

112. Coalition forces are guarding MOT stocks with soldiers and three armored personnel carriers. However, WFP's warehouses at the grain silo are not yet protected. DART and CA personnel impressed upon the governor the importance of having Coalition forces guard the WFP stores, and he agreed to follow up.

113. Among other issues raised, the governor noted the importance of salary payments for ex-soldiers, many of whom had abandoned their posts as directed by Coalition forces. The governor felt this to be particularly important in an area such as Tikrit, where a large percentage of the population served in the former military. Regarding this and a number of other issues that were raised, Coalition forces in Tikrit believe that opening an Office of the Coalition Provisional Authority (OCPA) in Tikrit would be especially beneficial to them and to the area. The DART is following up with OCPA/North to arrange a Tikrit visit in order to meet with military and other personnel there.

114. The Tikrit MOT Grain Board is functional, and is aware of the USD 105 per MT wheat purchase price, but still awaits detailed guidance from Baghdad regarding the procedures.

PROBLEMS AT THE TURKISH BORDER

115. Recently, Turkish drivers protested the rising fees they had been forced to pay the Peshmergas as they enter Iraq. The protests caused huge delays at the border. Due to the devaluation of the U.S. dollar against the Swiss dinars, the "parking fee" collected in Swiss dinars went from USD 20 to USD 80 in recent days. During the height of the delays last weekend, there were 2,800 trucks blocked at the border crossing. On 1 June, the issue was resolved between WFP and the local authorities with an agreement to pay USD 20 for the parking fee at the border. This saves the truckers from having to change U.S. dollars to Swiss dinars to pay the fee.

116. Government fuel pumps in the north are now charging customers in old Iraqi dinars, i.e., Saddam dinars, under an agreement with the Coalition. This marks the first time this currency has been used in the north since 1991. (Note: While government stations are using the Saddam notes, most fuel is still sold or resold on city sidewalks in Swiss dinars. End Note.)

JONES